

Module 11A Simulation

Claiming the Earned Income Credit without a Qualifying Child

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18



In this simulation, you will take on the role of Seth Wiggins in order to learn how to claim the Earned Income Credit.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18



Module 11A Simulation



You are single. You are 26 years old. You are a U.S. citizen and live in the United States. You have no children. No one else depends on you for income or support. You do not receive income or support from anyone else.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18



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During the entire year, you worked as a horse trainer at the R & R Farm in the United States. It is your only source of income.

To review your personal information, click ***My Profile*** below.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18

My Profile

Module 11A Simulation



It's the end of the tax year. You receive your Form W-2 from your employer. You earned \$10,535 from your job.

Note: Your employer is required to send your W-2 by January 31!

To review your Form W-2, click **My Form W-2** below.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18

My Profile

My Form W-2

22222		Void <input type="checkbox"/>		a Employee's social security number		For Official Use Only ► OMB No. 1545-0008					
b Employer identification number (EIN) 10-8763214					1 Wages, tips, other compensation 10535.00			2 Federal income tax withheld 368.00			
c Employer's name, address, and ZIP code R and R Farm 21 Beech Tree Farm Anytown, US 10111					3 Social security wages 10535.00			4 Social security tax withheld 653.17			
					5 Medicare wages and tips 10535.00			6 Medicare tax withheld 152.76			
					7 Social security tips			8 Allocated tips			
d Control number 222-00-2314					9 Advance EIC payment			10 Dependent care benefits			
e Employee's first name and initial Seth W.		Last name Wiggins		Suff.		11 Nonqualified plans			12a See instructions for box 12		
2611 North Ash Drive Anytown, US 10012					13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>			12b			
					14 Other			12c			
								12d			
f Employee's address and ZIP code											
15 State Employer's state ID number		16 State wages, tips, etc.		17 State income tax		18 Local wages, tips, etc.		19 Local income tax		20 Locality name	

Do Not Cut, Fold, or Staple Forms on This Page — Do Not Cut, Fold, or Staple Forms on This Page

My Profile

Name: Seth Wiggins

Employment: Horse trainer

Marital status: Single

Spouse's name (if any): N/A

Children: None

U.S. citizen: Yes

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Answer the following questions to determine if you are eligible to claim the Earned Income Credit.

- Do you have a valid Social Security number? ☒ yes ☐ no
- Do you have earned income? ☒ yes ☐ no
- Are you a U.S. citizen or resident? ☒ yes ☐ no
- Are you filing Form 2555 or 2555-EZ? ☐ yes ☒ no
- Did you have more than \$2,900 of investment income? ☐ yes ☒ no
- Do you have a qualifying child? ☐ yes ☒ no
- At the end of 2007 were you at least 25 years old but less than 65 years old? ☒ yes ☐ no
- Can anyone else claim you as a dependent on his or her tax return? ☐ yes ☒ no
- Are you the qualifying child of another person? ☐ yes ☒ no
- Did you live in the United States more than half of the tax year? ☒ yes ☐ no
- Are you eligible to claim the Earned Income Credit? ☒ yes ☐ no

1 2 3 4 5 6 **7** 8 9 10 11 12 13 14 15 16 17 18

My Profile

My Form W-2

Module 11A Simulation



You have everything you need to file your taxes. You will be using Form 1040EZ.

Form 1040EZ 2007. Department of the Treasury—Internal Revenue Service. OMB No. 1545-0074.

Label
(See page 11.)
Use the IRS label.
Otherwise, please print or type.
Presidential Election Campaign (page 11)

LABEL HERE

Your first name and initial	Last name	Your social security number
If a joint return, spouse's first name and initial	Last name	Spouse's social security number
Home address (number and street). If you have a P.O. box, see page 11.		Apt. no.
City, town or post office, state, and ZIP code. If you have a foreign address, see page 11.		

Check here if you, or your spouse if a joint return, want \$3 to go to this fund ☐ You ☐ Spouse

▲ You must enter your SSN(s) above. ▲
Checking a box below will not change your tax or refund.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18

My Profile

My Form W-2

Module 11A Simulation

January 1 **Your Tax Year** December 31 January 1 **Your Filing Season** April 15

Use your W-2 to enter your salary on Form 1040EZ. Enter your salary exactly as it appears on your W-2.

Enter salary: \$

Form **1040EZ** Department of the Treasury—Internal Revenue Service
Income Tax Return for Single and Joint Filers With No Dependents (99) 2007 OMB No. 1545-0074

Label
 (See page 11.)
Use the IRS label.
 Otherwise, please print or type.

Label Here

Your first name and initial Seth W.	Last name Wiggins	Your social security number 222 : 00 : 2314
If a joint return, spouse's first name and initial	Last name	Spouse's social security number : : : :
Home address (number and street). If you have a P.O. box, see page 11. 2611 North Ash Drive		Apt. no.
City, town or post office, state, and ZIP code. If you have a foreign address, see page 11. Anytown, US 10012		<p>▲ You must enter your SSN(s) above. ▲</p> <p>Checking a box below will not change your tax or refund.</p>

Check here if you, or your spouse if a joint return, want \$3 to go to this fund ▶ ☐ You ☐ Spouse

Income

1 Wages, salaries, and tips. This should be shown in box 1 of your Form(s) W-2. Attach your Form(s) W-2.	1	
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Hint: See Box 1 on your Form W-2.

1 2 3 4 5 6 7 8 9 **10** 11 12 13 14 15 16 17 18

My Profile

My Form W-2

Module 11A Simulation



Enter your federal tax withheld from your Form W-2. Enter your tax withheld exactly as it appears on your W-2.

Enter federal tax withheld: \$

Form **1040EZ** Department of the Treasury—Internal Revenue Service **Income Tax Return for Single and Joint Filers With No Dependents (99) 2007** OMB No. 1545-0074

Label (See page 11.) Use the IRS label. Otherwise, please print or type. Presidential Election Campaign (page 11)

LABEL HERE

Your first name and initial: **Seth W.** Last name: **Wiggins**

If a joint return, spouse's first name and initial: Last name:

Home address (number and street). If you have a P.O. box, see page 11. **2611 North Ash Drive** Apt. no.:

City, town or post office, state, and ZIP code. If you have a foreign address, see page 11. **Anytown, US 10012**

Your social security number: **222 00 2314** Spouse's social security number:

▲ You must enter your SSN(s) above. ▲

Checking a box below will not change your tax or refund.

Check here if you, or your spouse if a joint return, want \$3 to go to this fund . . . ☐ You ☐ Spouse

Income Attach Form(s) W-2 here. Enclose, but do not attach, any payment.

1	Wages, salaries, and tips. This should be shown in box 1 of your Form(s) W-2. Attach your Form(s) W-2.	1	10,535 00
2	Taxable interest. If the total is over \$1,500, you cannot use Form 1040EZ.	2	
3	Unemployment compensation and Alaska Permanent Fund dividends (see page 13).	3	
4	Add lines 1, 2, and 3. This is your adjusted gross income .	4	
5	If someone can claim you (or your spouse if a joint return) as a dependent, check the applicable box(es) below and enter the amount from the worksheet on back. <input type="checkbox"/> You <input type="checkbox"/> Spouse If no one can claim you (or your spouse if a joint return), enter \$8,750 if single ; \$17,500 if married filing jointly . See back for explanation.	5	
6	Subtract line 5 from line 4. If line 5 is larger than line 4, enter -0-. This is your taxable income .	6	
7	Federal income tax withheld from box 2 of your Form(s) W-2.	7	
8a	Earned income credit (EIC).	8a	
b	Nontaxable combat pay election.	8b	

Hint: See Box 2 on your Form W-2.

Module 11A Simulation



Since you have no other sources of income, you have completed your tax return. All that's left to do is review your return.

To review your return, click ***My Tax Form*** below.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18

My Profile

My Form W-2

My Tax Form

1040EZ**Income Tax Return for Single and
Joint Filers With No Dependents (99) 2007**

OMB No. 1545-0074

Label

(See page 11.)

**Use the IRS
label.**Otherwise,
please print
or type.Presidential
Election
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(page 11)L
A
B
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L

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R
E

Your first name and initial

Seth W

Last name

Wiggins

If a joint return, spouse's first name and initial

Last name

Home address (number and street). If you have a P.O. box, see page 11.

2611 North Ash Dr.

Apt. no.

City, town or post office, state, and ZIP code. If you have a foreign address, see page 11.

Anytown, US 10012

Your social security number

222 00 2314

Spouse's social security number

▲ You **must** enter
your SSN(s) above. ▲Checking a box below will not
change your tax or refund.Check here if you, or your spouse if a joint return, want \$3 to go to this fund ☐ **You** ☐ **Spouse****Income****Attach
Form(s) W-2
here.**Enclose, but
do not attach,
any payment.**1** Wages, salaries, and tips. This should be shown in box 1 of your Form(s) W-2.
Attach your Form(s) W-2. 1 **10535 00****2** Taxable interest. If the total is over \$1,500, you cannot use Form 1040EZ. 2**3** Unemployment compensation and Alaska Permanent Fund dividends (see page 13). 3**4** Add lines 1, 2, and 3. This is your **adjusted gross income**. 4 **10535 00****5** If someone can claim you (or your spouse if a joint return) as a dependent, check the applicable box(es) below and enter the amount from the worksheet on back.☐ **You**☐ **Spouse**If no one can claim you (or your spouse if a joint return), enter \$8,750 if **single**;
\$17,500 if **married filing jointly**. See back for explanation.5 **8750 00****6** Subtract line 5 from line 4. If line 5 is larger than line 4, enter -0-.
This is your **taxable income**. 6 **1785 00****Payments
and tax****7** Federal income tax withheld from box 2 of your Form(s) W-2. 7 **368 00****8a** Earned income credit (EIC). 8a **158 00****b** Nontaxable combat pay election. 8b**9** Add lines 7 and 8a. These are your **total payments**. 9 **526 00****10** **Tax**. Use the amount on **line 6 above** to find your tax in the tax table on pages
24–32 of the booklet. Then, enter the tax from the table on this line. 10 **179 00****Refund**Have it directly
deposited! See
page 18 and fill
in 11b, 11c,
and 11d or
Form 8888.**11a** If line 9 is larger than line 10, subtract line 10 from line 9. This is your **refund**.
If Form 8888 is attached, check here ☐ 11a **347 00**▶ **b** Routing number **2 4 2 2 2 2 2 2 2** ▶ **c** Type: ☒ Checking ☐ Savings▶ **d** Account number **1 0 2 2 2 2 2 2 2****Amount
you owe****12** If line 10 is larger than line 9, subtract line 9 from line 10. This is
the **amount you owe**. For details on how to pay, see page 19. 12**Third party
designee**Do you want to allow another person to discuss this return with the IRS (see page 20)? ☐ **Yes**. Complete the following. ☒ **No**Designee's
name ▶Phone
no. ▶ ()Personal identification
number (PIN) ▶**Sign
here**Under penalties of perjury, I declare that I have examined this return, and to the best of my knowledge and belief, it is true, correct, and
accurately lists all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based
on all information of which the preparer has any knowledge.

Your signature

Date

Your occupation

Daytime phone number

Spouse's signature. If a joint return, **both** must sign.

Date

Spouse's occupation

**Paid
preparer's
use only**Preparer's
signature ▶

Date

Check if
self-employed ☐

Preparer's SSN or PTIN

Firm's name (or
yours if self-employed),
address, and ZIP code ▶EIN :
Phone no. ()

Module 11A Simulation



Based on your completed tax return, enter your tax for the year. Enter your tax exactly as it appears on your tax form.

Enter tax: \$

Hint: See Line 10 on Form 1040EZ.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18

My Profile

My Form W-2

My Tax Form

Module 11A Simulation



Correct! Your tax is \$179.00. What is your Earned Income Credit? Enter your Earned Income Credit exactly as it appears on your tax form.

Enter Earned Income Credit: \$
158

Hint: See Line 8a on Form 1040EZ.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18

My Profile

My Form W-2

My Tax Form

Module 11A Simulation



That's correct! Your Earned Income Credit is \$158.00.

Are you getting a refund or do you owe more tax?

- ☒ Refund
- ☐ Owe more tax

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18

My Profile

My Form W-2

My Tax Form

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Yes, you are correct! Line 11a on your Form 1040EZ shows that your refund is \$347.00. Lines 11b, c, and d indicate that your refund will be directly deposited into your checking account.

Now you are ready to e-file your tax return with the IRS. Click the e-file button below to continue.



1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18

My Profile

My Form W-2

My Tax Form



If you were actually filing your taxes online, the last step would be signing the return. You can submit your signature by actually signing Form 8453 and sending it to the IRS, or by using Self-Select PIN (Personal Identification Number) if you are eligible.

The Self-Select PIN is made up of any five numbers (except all zeros) that you choose to enter as your electronic signature. You select your PIN by providing your adjusted gross income from your previous year's tax return and your date of birth for verification purposes. Depending on the version of the software you are using, you may be asked to provide your date of birth in addition to your adjusted gross income.

Signing your return using Self-Select PIN is the simplest and fastest way to submit your signature. You do not need to mail in a paper signature, and you receive an immediate acknowledgement that your tax return was received.

Learn more about self-selecting a PIN by visiting the [IRS Web site](#).

Now click the forward arrow below to finish filing Seth's return.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18

My Profile

My Form W-2

My Tax Form



Congratulations, Seth! You've successfully filed your return by the filing deadline.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18

